| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|---|---|---|---|---|
| 09/877,439 | 06/08/2001 | Hans-Linhard Reich | 17209-019 | 1544 |

54205          7590          05/26/2009
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| EXAMINER |
|---|
| DASS, HARISH T |

| ART UNIT | PAPER NUMBER |
|---|---|
| 3692 | |

| MAIL DATE | DELIVERY MODE |
|---|---|
| 05/26/2009 | PAPER |

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

PTOL-90A (Rev. 04/07)

| | Application No. | Applicant(s) |
|---|---|---|
| **Office Action Summary** | 09/877,439 | REICH ET AL. |
| | Examiner | Art Unit | |
| | HARISH T. DASS | 3692 | |

-- *The MAILING DATE of this communication appears on the cover sheet with the correspondence address* --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

1) ☒ Responsive to communication(s) filed on <u>02 March 2009</u>.

2a) ☐ This action is **FINAL**.      2b) ☒ This action is non-final.

3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

4) ☒ Claim(s) <u>1-35</u> is/are pending in the application.

    4a) Of the above claim(s) <u>35</u> is/are withdrawn from consideration.

5) ☐ Claim(s) _____ is/are allowed.

6) ☒ Claim(s) <u>1-34</u> is/are rejected.

7) ☐ Claim(s) _____ is/are objected to.

8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

**Application Papers**

9) ☐ The specification is objected to by the Examiner.

10) ☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

      1. ☐ Certified copies of the priority documents have been received.

      2. ☐ Certified copies of the priority documents have been received in Application No. _____.

      3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail. Date. _____.

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____.

## DETAILED ACTION

1.     This office action is in response to Applicant's communication of

03/02/2009 (Response to restriction Requirement) and 09/05/2008 (RCE).


2.     The Examiner acknowledges receipt of applicant's election of original

claims (1-34) for prosecution with traverse.

       The examiner respectfully does not agree with the applicant that the

restriction is improper because there is no undue burden for the Examiner.

Although claims 1-34 and claim 35 are classified as class 705/37 but claims 1-34

and claim 35 have different scopes and do require different search under class

705 (business method), it should be pointed out that since business concepts

have been around for long time and these concepts span not only to the security

trading but to other trading area too, which requires more analysis and time. Per

Examiner the restriction was proper.


### *Continued Examination Under 37 CFR 1.114*

3.     A request for continued examination under 37 CFR 1.114, including the

fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection.

Since this application is eligible for continued examination under 37 CFR 1.114,

and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the

previous Office action has been withdrawn pursuant to 37 CFR 1.114.

Applicant's submission filed on 09/05/2008 has been entered.

**4.**     ***Priority:*** 6/8/2000

**5.**     ***Status of Claims:***

Claims 1-34 are pending and remain rejected.

Claim 35 is withdrawn.

### *Claim Rejections - 35 USC § 101*

6.     35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-20 are rejected under 35 U.S.C. 101. Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a § 101 process must (1) be tied to a machine or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. In re Bilski et al, 88 USPQ 2d 1385 CAFC (2008); Diamond v. Diehr, 450 U.S. 175, 184 (1981); Parker v. Flook, 437 U.S. 584, 588 n.9 (1978); Gottschalk v. Benson, 409 U.S. 63, 70 (1972); Cochrane v. Deener, 94 U.S. 780,787-88 (1876).

An example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus, to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (the thing or product) to which it is tied, for example **by identifying the apparatus that accomplishes the method steps, or positively recite the**

**subject matter that is being transformed, for example by identifying the**

**material that is being changed to a different state.**

Here, applicant's method steps fail the first prong of the new Federal

Circuit decision since they are not tied to a machine and can be performed

without the use of a particular machine. Thus, claims 1-20 are non-statutory

since they may be performed within the human mind.

The mere recitation of the machine with an absence of a machine in the

body of the claim fails to make the claim statutory under 35 USC 101.

Insignificant extra-solution activity will not transform an unpatentable principle

into a patentable process (see John Love, Deputy Commissioner for Patent

Examination Policy, memorandum Jan. 7, 2009).

Note the Board of Patent Appeals Informative Opinion Ex parte

Langemyeret al-

http://iplaw.bna.com/iplw/5000/split_display.adp?fedfid=10988734&vname=ippqc

ases2&wsn=500826000&searchid=6198805&doctypeid=1&type=court&mode=do

c&split=0&scm=5000&pg=0

### *Claim Rejections - 35 USC § 103*

7.      The following is a quotation of 35 U.S.C. 103(a) which forms the basis for

all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described
as set forth in section 102 of this title, if the differences between the subject matter sought to
be patented and the prior art are such that the subject matter as a whole would have been
obvious at the time the invention was made to a person having ordinary skill in the art to which
said subject matter pertains.  Patentability shall not be negatived by the manner in which the
invention was made.

     **a.    Claims 1-2 are rejected under 35 U.S.C. 103(a) as being**

**unpatentable over Cwenar (US 5,893,079) in view of Rhonda Bissig**

**(Merrill, ex-broker hit with multi-million dollar lawsuit in N.H. Rhonda**

**Bissig. Wall Street Letter. New York: Feb 7, 2000. Vol. 32, Iss. 6; pg. 1,**

**2 pgs) – hereinafter Bissig.**

*Examiner has pointed out particular references contained in the prior arts of record in the body of this action for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the response, to consider fully the entire references as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior arts or disclosed by the examiner.*

Re. Claim 1, Cwenar discloses receiving a compliance request having an

associated party and indicating a particular instrument associated with an issuer

[Abstract; Figure 5; col. 1 lines 11-20; col. 2 lines 41-51];

    (b) retrieving restrictions associated with the particular instrument from a

collection of restrictions [Figure 5; col. 1 lines 11-20; col. 5 lines 22-25; col. 11

line 34 to col. 12 line 48 – violation of rules];

    (c) ***accessing a compliance rule set identifying at least one***

***compliance rule*** (rules) selected in accordance with a profile associated with the

party **[** see col. 2 lines 41-51, col. 10 lines 23-35, col. 13 lines 3-9 – col. 10, the

paragraph reads " … users to access the central database 101 simultaneously

and enters inquiries (request) and receive all data permitted within **whatever**

**rules** (col. 13 "if a propose prospectus is in compliance with legal rules and

preference rules." - the rules have to be compliance rules); col. 2 group of rules **]**,

(d) evaluating at least a portion of the rules in the compliance rule set using the retrieved restrictions to determine if the request complies with the restrictions [col. 2 lines 42-51; col. 11 line 34 to col. 12 line 48]; and

(e) outputting a message in electronic form indicating a compliance condition in accordance with results of the evaluating step [col. 2 lines 42-51; col. 3 lines 17-18 (provide a system which delivers timely, accurate investment data …)].

Cwenar does not explicitly disclose the profile reflecting at least the relationship between the party and the entity.

However, Bissig discloses this feature [see pages 1 & 2, the article shows the relationship of agent with brokerage firm "David allegedly engaged in trading activities that are a violation of both Merrill and industry compliance rules. … David's alleged relationship with Canadian mining company Naxos Resources. …"].

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cwenar and include profile reflecting at least the relationship between the party and the entity, as disclosed by Bissig to provide system to monitor the violation and compliance rule with respect to the party engaged in trade who has relationship with entity and provide preventive steps for unauthorized and fraudulent transaction by party who has relationship with firm.


Re. Claim 2, Cwenar discloses wherein each compliance rule has an associated

priority, the priority indicating an order in which the rules are applied during the

evaluating step [col. 2 lines 41-51].

b.      **Claims 3-15 are rejected under 35 U.S.C. 103(a) as being**

**unpatentable over Cwenar and Bissig as applied to claims 1 and 2,**

**and further in view of Applicant's Admitted Prior Art (APA).**

Re. Claims 3-15, Cwenar discloses real-time high speed data processing for rule-

based compliance, review and determination of a proposed transaction for

violation, database and tables (setting up database, user privileges, access

permission/restriction to a table is inherent in database setup "access group")

[Figures 4-6; col. 2 line 41 to col. 3 line 2, col. 11 line 34 to col. 12 line 38; col. 13

lines 14-16].

Cwenar or Bissig *does not explicitly disclose* wherein the restrictions are

indicated in a plurality of lists including a first list indicating restrictions related to

publicly available information and a second list indicating restrictions related to

non-public information; the priority of rules applying to the first list being greater

than the priority of rules applying to the second list.

The restrictions are indicated in least a first list and restrictions in the first list

have an associated severity level; the step of retrieving comprising retrieving

restrictions from the first list wherein, if a plurality of restrictions associated

with the particular instrument is in the first list, retrieving from the first list only

the restriction associated with the particular instrument having the highest

severity level; wherein restrictions are transaction restrictions and each restriction has an associated severity level selected from a group comprising at least one of a low severity indicating that transactions are permitted for a party in a first category and not permitted for a party in a second category, and a high severity indicating that transactions are not permitted for any party. Wherein the first category comprise customers of the entity and the second category comprises employees of the entity. wherein the severity group further comprises a medium severity indicating that transactions are permitted only with additional approval. wherein the step of accessing a compliance rule set comprises: accessing a baseline rule set; accessing at least one additional rule set selected in accordance with the party profile; and combining the accessed baseline rule set and the at least one additional rule set to form the compliance rule set. accessing rule exception data selected in accordance with the party profile; and removing rules from the compliance rule set in accordance with the rule exception data. wherein the request is received from the party and the message is sent to the party. wherein the request is received from an electronic trading system and the output message is sent to the electronic trading system, logging requests where a determination is made that the request violates the restrictions; re-executing steps (b)-(d) on a periodic basis for logged requests; if a re-execution indicates that a particular logged request does not violate the restrictions, outputting a message indicating the request approval, wherein the entity comprises a company and the party comprises one of an employee of the

company, a customer of the company, and the company, wherein the compliance request comprises an electronic document containing data indicating a company name; the method further comprising the steps of extracting the company name from the document and mapping the extracted company name to an associated instrument and step of embedding the compliance condition message in a representation of the document.

However, APA discloses wherein the restrictions are indicated in a plurality of lists including a first list indicating restrictions related to publicly available information and a second list indicating restrictions related to non-public information; the priority of rules applying to the first list being greater than the priority of rules applying to the second list [page 2 line 8-17]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cwenar or Bissig and include wherein the restrictions are indicated in a plurality of lists including a first list indicating restrictions related to publicly available information and a second list indicating restrictions related to non-public information; the priority of rules applying to the first list being greater than the priority of rules applying to the second list, as disclosed by APA, to allow the financial institution to provide the public information about securities which are required by SEC for investor to know and restrict proprietary information from public which are essential to company only to avoid fraud and tampering with company database or operation.

Further, database administration, account setup, logging into database, accessing database, access privileges to database and tables based on severity

level, groups, category, etc are old and will known. Where these access

privileges are set based on the business choices, interaction with public,

management practices, etc. Database engines or software inherently allow these

schemas to be embedded in software design or administrative procedures. For

example: employee database of a company online, where every body can find

the employee name, rank and telephone number, PTO employee locator, while a

manager of a group can access some of the employee information in his group

which is not available to public (logging to his company system based on his

access privilege can check his staffs), e.g., salary, home address, where HR

manager can access the entire database for all employee and every information

available for employee but not the finance part of the company, etc.

It would have been obvious at the time the invention was made to a

person having ordinary skill in the art to modify the disclosure of Cwenar, Bissig,

and APA and include different set of database access privileges for database

users to provide users with the information they are allow to know and at the

same time protect the business confidential information to reach unauthorized

users who not suppose to have access to them.


**c.      Claims 16 are rejected under 35 U.S.C. 103(a) as being**

**unpatentable over Cwenar in view of Bissig and Beale (WO 98/59307.**


Re. Claim 16, Cwenar discloses

providing a collection of compliance rules, at least some compliance rules having an associated priority [col. 2 lines 41-47];

receiving a compliance request having an associated party and indicating a particular instrument associated with an issuer [Abstract; Figure 5; col. 1 lines 11-20; col. 2 lines 41-51];

retrieving restrictions associated with the particular instrument from a collection of restrictions [Figure 5; col. 1 lines 11-20; col. 5 lines 22-25; col. 11 line 34 to col. 12 line 48 – violation of rules];

accessing a compliance rule set identifying at least one compliance rule (rules) selected in accordance with a profile associated with the party [see above],

evaluating at least a portion of the rules in the compliance rule set using the retrieved restrictions to determine if the request complies with the restrictions [col. 2 lines 42-51; col. 11 line 34 to col. 12 line 48]; and

outputting a message in electronic form indicating a compliance condition in accordance with results of the evaluating step [col. 2 lines 42-51; col. 3 lines 17-18 (provide a system which delivers timely, accurate investment data …)].

Cwenar implicitly discloses generating a compliance rule set identifying at least one compliance rule in the collection of compliance rules by combining a baseline rule set and at least one additional rule set selected in accordance with the party profile [See Figure 5 – 162 and 168 – the output of the #168 is combination of 2 rules tested sequentially. For example, if #162 has 5 basic rules that applies to every trade (such as government mandates) and #168 has 1 rule

for every manager, it means every manager trade has to be tested for combination of 5x1 rules and if the board member has 2 rules (#168), he/she should be tested for 5x2=10 rules].

Cwenar does not explicitly disclose the profile reflecting at least the relationship between the party and the entity; and

generating a compliance rule set identifying at least one compliance rule in the collection of compliance rules by combining a baseline rule set and at least one additional rule set selected in accordance with the party profile.

However, accessing database to retrieve profile is known. E.g., customer provides his social security number to the department store for applying of store card, the system retrieves the profile of the customer.

Bissig discloses the profile reflecting at least the relationship between the party and the entity [see pages 1 & 2, the article shows the relationship of agent with brokerage firm "David allegedly engaged in trading activities that are a violation of both Merrill and industry compliance rules. ... David's alleged relationship with Canadian mining company Naxos Resources. ..."].

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Cwenar and include profile reflecting at least the relationship between the party and the entity, as disclosed by Bissig to provide system to monitor the violation and compliance rule with respect to the party engaged in trade who has relationship with entity and provide preventive steps for unauthorized and fraudulent transaction by party who has relationship with firm.

**Beale** generating a compliance rule set identifying at least one compliance rule in the collection of compliance rules by combining a baseline rule set and at least one additional rule set selected in accordance with the party profile [Abstract; page 2 lines 22-37, page 4 line 23 through page 5 line 20, page 31#46]. Therefore, it would have been obvious at the time the invention was made to a person having ordinary skill in the art to combine the disclosures of Cwenar, Bissig and Beale and include generating a compliance rule set identifying at least one compliance rule in the collection of compliance rules by combining a baseline rule set and at least one additional rule set selected in accordance with the party profile, as disclosed by Beale, to generate new compliance rules using Beale's algorithm to breed rules by merging pairs of existing compliance rules or extracted portion of existing compliance rules and combine them to generate new compliance rule and update the database by storing the newly generated compliance rule to the database, which will be used for preventing future transaction from executing in event the transaction is non-compliance with new rule.

    **d.    Claims 17-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar, Bissig and Beale as applied to claim 16, and further in view of Applicant's Admitted Prior Art (APA).**

Re. Claims 17-20, having substantially similar limitations as claims 3-15 and are rejected with same rationales as rejection of claims 3-15.

     e.    **Re. Claim 21, system claim 21 is rejected with same rational & analysis as claim 1 or claim 16.** The system discloses by Cwenar is capable to implementing the process disclosed by the Cwenar in view of Bissig, OR

        Cwenar in view of Bissig and Beale.


     f.    **Claims 22-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar, Bissig and Beale as applied to claim 21, and further in view of Applicant's Admitted Prior Art (APA), OR (alternatively)**

        **Claims 22-34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Cwenar, and as applied to claim 21, and further in view of Applicant's Admitted Prior Art (APA)..**


Re. Claims 22-34, having substantially similar limitations as claims 3-15 and are rejected with same rationales as rejection of claims 3-15.



*Response to Arguments*

8.    Applicant's arguments with respect to claims have been considered but are moot in view of the new ground(s) of rejection.

In response to applicant's argument regarding restriction requirement, the examiner respectfully does not agree with the applicant that the restriction is improper because there is no undue burden for the Examiner. Although claims 1-34 and claim 35 are classified as class 705/37 but claims 1-34 and claim 35 have different scopes and do require different search under class 705 (business method), it should be pointed out that since business concepts have been around for long time and these concepts span not only to the security trading but to other trading area too, which requires more analysis and time. Per Examiner the restriction was proper.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to HARISH T. DASS whose telephone number is (571)272-6793.  The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Abdi Kambiz can be reached on 571-272-6702.  The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the

Patent Application Information Retrieval (PAIR) system.  Status information for published

applications may be obtained from either Private PAIR or Public PAIR.  Status

information for unpublished applications is available through Private PAIR only.  For

more information about the PAIR system, see http://pair-direct.uspto.gov. Should you

have questions on access to the Private PAIR system, contact the Electronic Business

Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO

Customer Service Representative or access to the automated information system, call

800-786-9199 (IN USA OR CANADA) or 571-272-1000.


/Harish T Dass/
Primary Examiner, Art Unit 3692

5/21/2009